

SECURITIES



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OMB Number:	3235-0123
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SEC FILE NUMBER
8-11684

**ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III**

**FACING PAGE**

**Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING 1/1/01 AND ENDING 12/31/01  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

**NAME OF BROKER-DEALER:**

A.G. Quintal Investment Company, Inc.

OFFICIAL USE ONLY

FIRM ID. NO.

**ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)**

2177 Acushnet Avenue

(No. and Street)

New Bedford,

MA

02745

(City)

(State)

(Zip Code)

**NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT**

Mark A. Quintal

(508) 995-2611

(Area Code - Telephone No.)

**B. ACCOUNTANT IDENTIFICATION**

**INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\***

Kane and Kane, Inc. CPA's

(Name - if individual, state last, first, middle name)

260 North Main Street

Fall River,

MA

02720

(Address)

(City)

(State)

(Zip Code)

**CHECK ONE:**

- ☒ Certified Public Accountant  
☐ Public Accountant  
☐ Accountant not resident in United States or any of its possessions.

**PROCESSED**

MAR 14 2002

FOR OFFICIAL USE ONLY

THOMSON  
FINANCIAL

\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See section 240.17a-5(e)(2).

SEC 1410 (3-91)

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89  
3/12

## OATH OR AFFIRMATION

I, Mark A. Quintal, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of A.G. Quintal Investment Company, Inc., as of December 31, 2001, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

Mark A. Quintal  
Signature

President

Title

Raymond E. Grantham Jr.  
Notary Public  
my commission expires 11/25/05  
signed before me 2/21/02

This report\*\* contains (check all applicable boxes):

- ☒ (a) Facing page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of ~~Changes in Financial Condition~~ CASH FLOWS.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's Capital.
- n/a ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital
- n/a ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☒ (i) Information Relating to the Possession or control Requirements Under Rule 15c3-3.
- ☒ (j) A Reconciliation, including appropriate explanation, of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- n/a ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- n/a ☐ (m) A copy of the SIPC Supplemental Report.
- ☒ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

A. G. QUINTAL INVESTMENT COMPANY, INC.

FINANCIAL STATEMENTS

AND SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2001

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KANE AND KANE, Inc.  
CERTIFIED PUBLIC ACCOUNTANTS  
AND BUSINESS CONSULTANTS

Joel S. Kane, CPA PC  
Peter D. Kane, CPA PC  
Joseph A. Cordeiro, CPA  
Alfredo M. Franco, CPA  
M. Helena Amaral, CPA  
Brian F. Chisholm, CPA  
Charles H. Kane (1937-1963)  
Mary Ellen Lewis, CPA  
Douglas M. Taber, CPA  
Anne Marie Rogers, CPA

Board of Directors and Stockholders  
A. G. Quintal Investment Company, Inc.  
New Bedford, Massachusetts


INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying balance sheet of A. G. Quintal Investment Company, Inc. as of December 31, 2001 and the related statement of income and retained earnings and cash flows, for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of A. G. Quintal Investment Company, Inc. at December 31, 2001, and the results of its operations and its cash flows, for the year then ended in conformity with the accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the basic financial statements primarily taken as a whole. The supplementary information on pages 10 through 20 relating to the Computation of Net Capital and the Computation of Basic Net Capital Requirement under Rule 15c3-3 is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by Rule 17a-5 of the Securities and Exchange Commission. Such information has been subjected to the auditing procedures applied in the examination of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

  
KANE AND KANE, INC.  
CERTIFIED PUBLIC ACCOUNTANTS

February 19, 2002

BALANCE SHEET  
DECEMBER 31, 2001

ASSETSCurrent Assets

Cash and Cash Equivalents	\$ 14,486
Marketable Securities (Note 1)	150,504
Commissions Receivable	1,982
Prepaid Income Taxes	<u>3,358</u>

Total Current Assets \$ 170,330

Fixed Assets

	<u>Cost</u>	<u>Accumulated Depreciation</u>
Office and Computer Equipment	\$ 54,322	\$ 54,322

Fixed Assets-net -0-

Other Assets

Cash-Restricted	\$ 25,000
-----------------	-----------

Total Other Assets 25,000

TOTAL ASSETS \$ 195,330

LIABILITIES AND STOCKHOLDERS' EQUITYCurrent Liabilities

Accounts Payable	\$ 425
Due to Employees	1,132
Accrued Pension Payable	<u>581</u>

Total Liabilities-All Current \$ 2,138

Stockholders' Equity

Common Stock, no par value, 15,000 shares authorized, 1,200 shares issued and outstanding	\$ 90,696
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Retained Earnings	<u>102,496</u>
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Total Stockholders' Equity 193,192

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY \$ 195,330

A. G. QUINTAL INVESTMENT COMPANY, INC.  
STATEMENT OF INCOME AND RETAINED EARNINGS  
FOR THE YEAR ENDED DECEMBER 31, 2001

EXHIBIT B

<u>Revenues</u>	\$ 441,319
Operating and General Expenses (Schedule B-1)	<u>440,552</u>
<u>Net Profit on Operations</u>	\$ 767
Other (Income) and Expenses (Schedule B-2)	<u>52</u>
<u>Net Income before Income Taxes</u>	\$ 715
Income Taxes (Note 4)	<u>1,548</u>
<u>NET LOSS</u>	\$ (833)
Retained Earnings, Beginning of Year	<u>103,329</u>
<u>RETAINED EARNINGS, END OF YEAR</u>	<u>\$ 102,496</u>

The accompanying notes are an integral part of these financial statements.

KANE AND KANE, Inc. CERTIFIED PUBLIC ACCOUNTANTS AND BUSINESS CONSULTANTS

A. G. QUINTAL INVESTMENT COMPANY, INC.  
SUPPLEMENTARY SCHEDULES TO EXHIBIT B  
FOR THE YEAR ENDED DECEMBER 31, 2001

Schedule B-1  
Operating and General Expenses

Officer Salary	\$ 250,000
Office Salaries	42,400
Pension Expense (Note 5)	40,456
Rent Expense (Note 2)	24,500
Insurance Expense	15,122
Payroll Taxes	12,475
Information Usage Fees	7,496
Telephone Expense	7,422
Travel and Entertainment	7,039
Office Supplies and Expense	6,947
Advertising	4,996
Employee Benefits	4,561
Legal and Accounting Fees	4,370
License and Fees	3,507
Postage and Printing	3,317
Depreciation Expense	3,008
Miscellaneous Expense	2,210
Dues and Subscriptions	559
Donations	99
Property Taxes	68
	<hr/>
<u>Total Operating and General Expenses</u>	<u>\$ 440,552</u>

Schedule B-2  
Other (Income) and Expenses

Trading Loss	\$ 3,931
Interest Expense	181
Dividend Income	(968)
Interest Income	(3,092)
	<hr/>
<u>Total Other (Income) and Expenses</u>	<u>\$ 52</u>

A. G. QUINTAL INVESTMENT COMPANY, INC.  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2001

EXHIBIT C

Cash Flows from Operational Activities

Cash Received for Services	\$ 439,339	
Interest Received	3,092	
Dividends Received	<u>968</u>	\$ 443,399
Less: Cash Paid for Operating Activities	\$ 438,910	
Corporate Income Taxes	14,792	
Interest Paid	<u>181</u>	<u>453,883</u>
<u>Net Cash Used by Operating Activities</u>		\$ (10,484)

Cash Flows from Investing Activities

Purchase of Fixed Assets	\$ (2,516)	
Purchase of Securities	(242,123)	
Proceeds from Sale of Securities	<u>258,646</u>	
<u>Net Cash Provided by Investing Activities</u>		<u>14,007</u>

<u>Net Increase in Cash</u>	\$ 3,523
-----------------------------	----------

Cash at Beginning of Year	<u>10,963</u>
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<u>CASH AT END OF YEAR</u>	<u>\$ 14,486</u>
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The accompanying notes are an integral part of these financial statements.

KANE AND KANE, Inc. CERTIFIED PUBLIC ACCOUNTANTS AND BUSINESS CONSULTANTS



A. G. QUINTAL INVESTMENT COMPANY, INC.  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2001

EXHIBIT C

Reconciliation of Net Income to Net Cash Provided  
(Used) by Operating Activities

Net Loss	\$ (833)
----------	----------

Adjustments to Reconcile Net Income to Net Cash  
Provided (Used) by Operating Activities

Depreciation Expense	\$ 3,008	
Net Realized Gains	(12,839)	
Unrealized Losses	16,770	
Increase in Commissions Receivable	(1,980)	
Increase in Prepaid Income Taxes	(3,358)	
Increase in Accrued Pension Payable	581	
Increase in Accounts Payable and Accrued Expenses	73	
Decrease in Employee Payroll Deductions Payable	(3,152)	
Decrease in Accrued Income Taxes Payable	(9,886)	
Increase in Due to Employees	<u>1,132</u>	
<u>Total Adjustments</u>		<u>(9,651)</u>

<u>NET CASH USED BY OPERATING ACTIVITIES</u>	<u>\$ (10,484)</u>
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A. G. QUINTAL INVESTMENT COMPANY, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2001

Note 1

Summary of Significant Accounting Policies

Organization

The Company was incorporated in Massachusetts in January, 1989 as a securities broker/dealer servicing the general public.

Basis of Accounting

For financial statement purposes, the Company reports income and expenses on the accrual basis of accounting; that is, income is reflected as earned, not received, and expenses are reflected when incurred, not when paid.

Marketable Securities

As a securities broker/dealer, marketable securities are stated in the financial statements at market value. The resulting difference between cost and market value is included in the statement of income.

Fixed Assets

Fixed assets are stated at cost less accumulated depreciation computed by use of the straight-line and accelerated cost recovery methods over the estimated useful lives of the assets.

Cash and Cash Equivalents

For purposes of the balance sheet and statement of cash flows, the Company considers all investment instruments purchased with a maturity of three months or less to be cash equivalents.

Advertising

The Company follows the policy of charging the costs of advertising to expense as incurred.

Estimates

The process of preparing financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Concentration of Credit Risk

The Company maintains cash balances at several banks. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$100,000.

Note 2

Related Party Transactions

The Company leases office space on a month-to-month basis from A.G.Q. Realty Trust, a related entity. Rent expense under this arrangement was \$24,500 for the year ended December 31, 2001.

A. G. QUINTAL INVESTMENT COMPANY, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2001

Note 3  
Net Capital

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule which requires the maintenance of minimum required net capital pursuant to Rule 15c3-1 and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1.

At December 31, 2001, the Company had net capital of \$173,662 which was \$73,662 in excess of its required net capital of \$100,000. The Company's net capital ratio was .01 to 1.

Note 4  
Income Taxes

Federal and state income tax expense consists of the following for the year ended December 31, 2001:

Current	
Federal	\$ 323
State	<u>1,225</u>
<u>Income Tax Expense</u>	<u>\$ 1,548</u>

Note 5  
Pension Plan

The Company maintains a profit sharing plan covering all employees who have completed two years of service, have worked a minimum of 1,000 hours per year, and are at least 21 years old. The plan provides for employer contributions up to a maximum of 15% of eligible participants' compensation, as determined annually by the Board of Directors. The financial statements reflect an employer contribution of \$29,475 for the year ended December 31, 2001.

The Company also maintains a noncontributory defined contribution money purchase pension plan covering all full-time employees who have completed two years of service and are at least 21 years old. The plan provides for employer contributions for each qualifying participant based on the participant's compensation for the plan year. The financial statements reflect an employer contribution of \$10,981 for the year ended December 31, 2001.

# FORM X-17A-5

## FOCUS REPORT (Financial and Operational Combined Uniform Single Report)

### PART IIA 12

3/90

(Please read instructions before preparing Form.)

This report is being filed pursuant to (Check Applicable Block(s)):

1) Rule 17a-5(a) ☒ 16

2) Rule 17a-5(b) 17

3) Rule 17a-11 18

4) Special request by designated examining authority 19

5) Other 26

NAME OF BROKER-DEALER

SEC FILE NO.

8-11684

14

FIRM ID. NO.

1303115

15

FOR PERIOD BEGINNING (MM/DD/YY)

1/1/01

24

AND ENDING (MM/DD/YY)

12/31/01

25

A. G. QUINTAL INVESTMENT COMPANY, INC. 13

ADDRESS OF PRINCIPAL PLACE OF BUSINESS (Do Not Use P.O. Box No.)

2177 ACUSHNET AVENUE

20

(No. and Street)

NEW BEDFORD

21

MA

22

02745

23

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

(Area Code)—Telephone No.

MARK A. QUINTAL, President

30

(508) 995-2611

31

NAME(S) OF SUBSIDIARIES OR AFFILIATES CONSOLIDATED IN THIS REPORT:

32

34

36

38

OFFICIAL USE

33

35

37

39

DOES RESPONDENT CARRY ITS OWN CUSTOMER ACCOUNTS?

YES 40

NO ☒ 41

CHECK HERE IF RESPONDENT IS FILING AN AUDITED REPORT

☒ 42

A-G-003115-C  
 COMPANY INC.  
 MARK A. QUINTAL  
 2177 ACUSHNET AVE  
 NEW BEDFORD  
 MA 02745  
 IIA

#### CUTION:

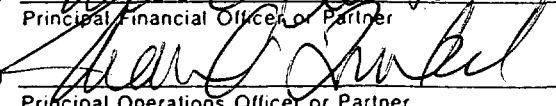
registrant/broker or dealer submitting this Form and its attachments and the person(s) from whom it is executed represent hereby that all information contained therein is true, correct and complete. It is understood that all required items, statements, and schedules are considered integral parts of this Form and that the submission of any amendment constitutes that all unamended items, statements and schedules remain true, correct and complete as previously submitted.

Dated the 22nd day of FEB 2002

Manual signatures of:

1)   
Principal Executive Officer or Managing Partner

2)   
Principal Financial Officer or Partner

3)   
Principal Operations Officer or Partner

**ATTENTION**—Intentional misstatements or omissions of facts constitute Federal Criminal Violations. (See 18 U.S.C. 1001 and 15 U.S.C. 78f(a))

TO BE COMPLETED WITH THE ANNUAL AUDIT REPORT ONLY:

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report

Name (If individual, state last, first, middle name)

Kane and Kane, Inc. CPA's

70

ADDRESS Number and Street City State Zip Code

260 North Main St., Fall River,

MA

02720

71

72

73

74

Check One

( X ) Certified Public Accountant

75

FOR SEC USE

( ) Public Accountant

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( ) Accountant not resident in United States or  
any of its possessions

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WORK LOCATION	REPORT DATE MM/DD/YY	DOC. SEQ. NO.	CARD				
50	51	52	53				

# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

## PART IIA

BROKER OR DEALER A.G. Quintal Investment Company, Inc.

**N 3**

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### STATEMENT OF FINANCIAL CONDITION FOR NONCARRYING, NONCLEARING AND CERTAIN OTHER BROKERS OR DEALERS

as of (MM/DD/YY) 12/31/01

SEC FILE NO. 8-11684

Consolidated

Unconsolidated ☒

Total

#### ASSETS

#### Allowable

#### Non-Allowable

1. Cash	\$ 14,230	200		\$ 14,230	750
2. Receivables from brokers or dealers:					
A. Clearance account	1,982	295			
B. Other	25,000	300		550	810
3. Receivables from non-customers		355		600	830
4. Securities and spot commodities owned, at market value:					
A. Exempted securities		418			
B. Debt securities		419			
C. Options		420			
D. Other securities	144,404	424			
E. Spot commodities		430			
				144,404	850
5. Securities and/or other investments not readily marketable:					
A. At cost	\$ 130				
B. At estimated fair value		440		6,100	860
6. Securities borrowed under subordination agreements and partners' individual and capital securities accounts, at market value:					
A. Exempted securities	\$ 150				
B. Other securities	\$ 160				
		470		640	890
7. Secured demand notes:					
market value of collateral:					
A. Exempted securities	\$ 170				
B. Other securities	\$ 180				
8. Memberships in exchanges:					
A. Owned, at market	\$ 190				
B. Owned, at cost				650	
C. Contributed for use of the company, at market value				660	900
9. Investment in and receivables from affiliates, subsidiaries and associated partnerships		480		670	910
10. Property, furniture, equipment, leasehold improvements and rights under lease agreements, at cost-net of accumulated depreciation and amortization		490		680	920
11. Other assets	3,358	535		256	735
12. TOTAL ASSETS	\$ 188,974	540	\$ 6,356	740	\$ 195,330
					930
					940

OMIT PENNIES

# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

## PART IIA

BROKER OR DEALER A.G. Quintal Investment Company, Inc. as of 12/31/01

### STATEMENT OF FINANCIAL CONDITION FOR NONCARRYING, NONCLEARING AND CERTAIN OTHER BROKERS OR DEALERS

#### LIABILITIES AND OWNERSHIP EQUITY

Liabilities	A.I. Liabilities	Non-A.I. Liabilities	Total
13. Bank loans payable.....	\$ 1045	\$ 1255	\$ 1470
14. Payable to brokers or dealers:			
A. Clearance account.....	1114	1315	1560
B. Other.....	1115	1305	1540
15. Payable to non-customers.....	1155	1355	1610
16. Securities sold not yet purchased, at market value.....		1360	1620
17. Accounts payable, accrued liabilities, expenses and other.....	2,138 1205	1385	2,138 1685
18. Notes and mortgages payable:			
A. Unsecured.....	1210		1690
B. Secured.....	1211	1390	1700
19. Liabilities subordinated to claims of general creditors:			
A. Cash borrowings:			
1. from outsiders \$.....	970		1710
2. Includes equity subordination (15c3-1 (d)) of .... \$.....	980		
B. Securities borrowings, at market value:...			
from outsiders \$.....	990	1410	1720
C. Pursuant to secured demand note collateral agreements:.....			
1. from outsider: \$.....	1000	1420	1730
2. Includes equity subordination (15c3-1 (d)) of .... \$.....	1010		
D. Exchange memberships contributed for use of company, at market value.....		1430	1740
E. Accounts and other borrowings not qualified for net capital purposes.....	1220	1440	1750
20. TOTAL LIABILITIES.....	\$ 2,138 1230	\$ 1450	\$ 2,138 1760

#### Ownership Equity

21. Sole proprietorship.....	\$ 1770
22. Partnership (limited partners.....)	\$ 1020 1780
23. Corporation:	
A. Preferred stock.....	1791
B. Common stock.....	90,696 1792
C. Additional paid-in capital.....	1793
D. Retained earnings.....	102,496 1794
E. Total.....	193,192 1795
F. Less capital stock in treasury.....	1796
24. TOTAL OWNERSHIP EQUITY.....	\$ 193,192 1800
25. TOTAL LIABILITIES AND OWNERSHIP EQUITY.....	\$ 195,330 1810

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**FINANCIAL AND OPERATION COMBINED UNIFORM SINGLE REPORT  
PART IIA**

**BROKER OR DEALER** A.G. Quintal Investment Company, Inc.

as of 12/31/01

**COMPUTATION OF NET CAPITAL**

1. Total ownership equity from Statement of Financial Condition.....	\$ 193,192	3480
2. Deduct ownership equity not allowable for Net Capital.....	( )	3490
3. Total ownership equity qualified for Net Capital.....	193,192	3500
4. Add:		
A. Liabilities subordinated to claims of general creditors allowable in computation of net capital.....		3520
B. Other (deductions) or allowable credits (List).....		3525
5. Total capital and allowable subordinated liabilities.....	\$ 193,192	3530
6. Deductions and/or charges:		
A. Total nonallowable assets from Statement of Financial Condition (Notes B and C) \$ 6,356	3540	
B. Secured demand note deficiency.....	3590	
C. Commodity futures contracts and spot commodities- proprietary capital charges.....	3600	
D. Other deductions and/or charges.....	3610	( 6,356 ) 3620
7. Other additions and/or allowable credits (List).....		3630
8. Net capital before haircuts on securities positions.....	\$ 186,836	3640
9. Haircuts on securities (computed, where applicable, pursuant to 15c3-1 (f)):		
A. Contractual securities commitments.....	\$ 3660	
B. Subordinated securities borrowings.....	3670	
C. Trading and investment securities:		
1. Exempted securities.....	3735	
2. Debt securities.....	3733	
3. Options.....	3730	
4. Other securities.....	13,174 3734	
D. Undue Concentration.....	3650	
E. Other (List).....	3736	( 13,174 ) 3740
10. Net Capital.....	\$ 173,662	3750

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# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

## PART IIA

BROKER OR DEALER **A.G. Quintal Investment Company, Inc.**

as of 12/31/01

### COMPUTATION OF BASIC NET CAPITAL REQUIREMENT

#### Part A

11. Minimum net capital required (6-2/3% of line 19) .....	\$	143	3756
12. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A) .....	\$	100,000	3758
13. Net capital requirement (greater of line 11 or 12) .....	\$	100,000	3760
14. Excess net capital (line 10 less 13) .....	\$	73,662	3770
15. Excess net capital at 1000% (line 10 less 10% of line 19) .....	\$	173,448	3780

### COMPUTATION OF AGGREGATE INDEBTEDNESS

16. Total A.I. liabilities from Statement of Financial Condition .....	\$	2,138	3790
17. Add:			
A. Drafts for immediate credit .....	\$	3800	
B. Market value of securities borrowed for which no equivalent value is paid or credited .....	\$	3810	
C. Other unrecorded amounts (List) .....	\$	3820	3830
19. Total aggregate indebtedness .....	\$	2,138	3840
20. Percentage of aggregate indebtedness to net capital (line 19 ÷ by line 10) .....	%	1%	3850
21. Percentage of debt to debt-equity total computed in accordance with Rule 15c3-1 (d) .....	%	0	3860

### COMPUTATION OF ALTERNATE NET CAPITAL REQUIREMENT

#### Part B

22. 2% of combined aggregate debit items as shown in Formula for Reserve Requirements pursuant to Rule 15c3-3 prepared as of the date of the net capital computation including both brokers or dealers and consolidated subsidiaries' debits .....	\$		3870
23. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A) .....	\$		3880
24. Net capital requirement (greater of line 22 or 23) .....	\$		3760
25. Excess net capital (line 10 less 24) .....	\$		3910
26. Net capital in excess of:			
5% of combined aggregate debit items or \$120,000 .....	\$		3920

OMIT PENNIES

#### NOTES:

- (A) The minimum net capital requirement should be computed by adding the minimum dollar net capital requirement of the reporting broker dealer and, for each subsidiary to be consolidated, the greater of:
1. Minimum dollar net capital requirement, or
  2. 6-2/3% of aggregate indebtedness or 2% of aggregate debits if alternative method is used.
- (B) Do not deduct the value of securities borrowed under subordination agreements or secured demand note covered by subordination agreements not in satisfactory form and the market values of memberships in exchanges contributed for use of company (contra to item 1740) and partners' securities which were included in non-allowable assets.
- (C) For reports filed pursuant to paragraph (d) of Rule 17a-5, respondent should provide a list of material non-allowable assets.

# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT PART IIA

**BROKER OR DEALER**

A.G. Quintal Investment Company, Inc.

For the period (MMDDYY) from 1/1/01 3932 to 2/31/01 3933  
Number of months included in this statement 12 3931

## STATEMENT OF INCOME (LOSS)

### REVENUE

1. Commissions:		
a. Commissions on transactions in exchange listed equity securities executed on an exchange	\$ 280,542	3935
b. Commissions on listed option transactions	"	3938
c. All other securities commissions	35,594	3939
d. Total securities commissions		3940
2. Gains or losses on firm securities trading accounts		
a. From market making in options on a national securities exchange		3945
b. From all other trading	(3,931)	3949
c. Total gain (loss)	(3,931)	3950
3. Gains or losses on firm securities investment accounts		3952
4. Profit (loss) from underwriting and selling groups	"	3955
5. Revenue from sale of investment company shares	125,183	3970
6. Commodities revenue		3990
7. Fees for account supervision, investment advisory and administrative services		3975
8. Other revenue	4,060	3995
9. Total revenue	\$ 441,448	4030

### EXPENSES

10. Salaries and other employment costs for general partners and voting stockholder officers	\$ 287,551	4120
11. Other employee compensation and benefits	" 17,324	4115
12. Commissions paid to other broker-dealers		4140
13. Interest expense		4075
a. Includes interest on accounts subject to subordination agreements	4070	
14. Regulatory fees and expenses	3,507	4195
15. Other expenses	133,576	4100
16. Total expenses	\$ 441,958	4200

### NET INCOME

17. Net income (loss) before Federal income taxes and items below (Item 9 less Item 16)	\$ (510)	4210
18. Provision for Federal income taxes (for parent only)	" 323	4220
19. Equity in earnings (losses) of unconsolidated subsidiaries not included above		4222
a. After Federal income taxes of	4238	
20. Extraordinary gains (losses)		4224
a. After Federal income taxes of	4239	
21. Cumulative effect of changes in accounting principles		4225
22. Net income (loss) after Federal income taxes and extraordinary items	\$ (833)	4230

### MONTHLY INCOME

23. Income (current month only) before provision for Federal income taxes and extraordinary items	\$ N/A	4211
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**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART IIA**

**BROKER OR DEALER**     A.G. Quintal Investment Company, Inc.

For the period (MMDDYY) from 1/1/01 to 12/31/01

**STATEMENT OF CHANGES IN OWNERSHIP EQUITY  
(SOLE PROPRIETORSHIP, PARTNERSHIP OR CORPORATION)**

1. Balance, beginning of period.....	\$	194,025	4240
A. Net income (loss).....		(833)	4250
B. Additions (Includes non-conforming capital of.....)	\$	4262	4260
C. Deductions (Includes non-conforming capital of.....)	\$	4272	4270
2. Balance, end of period (From item 1800) .....	\$	193,192	4290

**STATEMENT OF CHANGES IN LIABILITIES SUBORDINATED  
TO CLAIMS OF GENERAL CREDITORS**

3. Balance, beginning of period .....	\$	0	4300
A. Increases .....			4310
B. Decreases.....			4320
4. Balance, end of period (From item 3520).....	\$	0	4330

OMIT PENNIES

# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

## PART IIA

BROKER OR DEALER A.G. Quintal Investment Company, Inc. as of 12/31/01

### Exemptive Provision Under Rule 15c3-3

25. If an exemption from Rule 15c3-3 is claimed, identify below the section upon

which such exemption is based (check one only)

- A. (k) (1)—\$2,500 capital category as per Rule 15c3-1 ..... 4550
- B. (k) (2)(A)—"Special Account for the Exclusive Benefit of customers" maintained ..... X 4560
- C. (k) (2)(B)—All customer transactions cleared through another broker-dealer on a fully disclosed basis. Name of clearing firm Pershing Securities 4335 X 4570
- D. (k) (3)—Exempted by order of the Commission ..... 4580

Ownership Equity and Subordinated Liabilities maturing or proposed to be withdrawn within the next six months and accruals, (as defined below), which have not been deducted in the computation of Net Capital.

Type of Proposed withdrawal or Accrual See below for code to enter	Name of Lender or Contributor	Insider or Outsider? (In or Out)	Amount to be Withdrawn (cash amount and/or Net Capital Value of Securities)	(MMDDYY) Withdrawal or Maturity Date	Expect to Renew (yes or no)
32 4600	4601	4602	4603	4604	4605
31 4610	4611	4612	4613	4614	4615
34 4620	4621	4622	4623	4624	4625
35 4630	4631	4632	4633	4634	4635
36 4640	4641	4642	4643	4644	4645
37 4650	4651	4652	4653	4654	4655
38 4660	4661	4662	4663	4664	4665
39 4670	4671	4672	4673	4674	4675
40 4680	4681	4682	4683	4684	4685
41 4690	4691	4692	4693	4694	4695
TOTAL \$			N/A	4699	

OMIT PENNIES

Instructions: Detail listing must include the total of items maturing during the six month period following the report date, regardless of whether or not the capital contribution is expected to be renewed. The schedule must also include proposed capital withdrawals scheduled within the six month period following the report date including the proposed redemption of stock and payments of liabilities secured by fixed assets (which are considered allowable assets in the capital computation pursuant to Rule 15c3-1(c)(2)(iv)), which could be required by the lender on demand or in less than six months.

- WITHDRAWAL CODE: DESCRIPTION
1. Equity Capital
  2. Subordinated Liabilities
  3. Accruals
  4. 15c3-1(c)(2)(iv) Liabilities

**KANE AND KANE, Inc.**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
**AND BUSINESS CONSULTANTS**

Joel S. Kane, CPA PC  
Peter D. Kane, CPA PC  
Joseph A. Cordeiro, CPA  
Alfredo M. Franco, CPA  
M. Helena Amaral, CPA  
Brian F. Chisholm, CPA  
  
Charles H. Kane (1937-1963)  
  
Mary Ellen Lewis, CPA  
Douglas M. Taber, CPA  
Anne Marie Rogers, CPA

Board of Directors and Stockholders  
A.G. Quintal Investment Company, Inc.  
New Bedford, Massachusetts

In planning and performing our audit of the financial statements of A.G. Quintal Investment Company, Inc. for the year ended December 31, 2001, we considered its internal control structure, including procedures for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.


Also, as required by rule 17a-5(g) (1) of the Securities and Exchange Commission, we have made a study of the practices and procedures (including tests of compliance with such practices and procedures) followed by A.G. Quintal Investment Company, Inc. that we considered relevant to the objectives stated in rule 17a-5(g), (1) in making the periodic computations of aggregate indebtedness and net capital under rule 17a-3(a)(11) and the reserve required by rule 15c3-3(e) (2) in making the quarterly securities examinations, counts, verifications and comparisons, and the recordation of differences required by rule 17a-13 (3) in complying with the requirements for prompt payment for securities under section 8 of Regulation T of the Board of Governors of the Federal Reserve System; and (4) in obtaining and maintaining physical possession or control of all fully paid and excess margin securities of customers as required by rule 15c3-3.

The management of the Company is responsible for establishing and maintaining an internal control structure and the practices and procedures referred to in the preceding paragraph. In fulfilling the responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the Commission's above-mentioned objectives. Two of the objectives of an internal control structure and the practices and procedures are to provide management with reasonable, but not absolute, assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit preparation of financial statements in conformity with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in any internal control structure or the practices and procedures referred to above, errors or irregularities may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, we noted no matters involving the internal control structure, including procedures for safeguarding securities, that we consider to be material weaknesses as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the Commission to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures were adequate at December 31, 2001 to meet the Commission's objectives.

  
KANE AND KANE, INC.  
CERTIFIED PUBLIC ACCOUNTANTS

February 19, 2002